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SPEECH

OF THE

HONORABLE A. T. GALT,

MINISTER OF FINANCE OF CANADA,

IN INTRODUCING THE BUDGET.

(REPRINTED.)



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S P E E C H

OF THE

HONORABLE A. T. GALT.

LEGISLATIVE ASSEMBLY, CANADA.

OTTAWA, *Tuesday, June 26, 1866.*

In Committee of Ways and Means,

Hon. Mr. GALT made his financial statement as follows:—Mr. Chairman, when I last had the honor of addressing the Committee with reference to the financial position of the Province, it was my duty to refer to the financial transactions of a year which had been marked, not by those satisfactory features which have characterized the past year, but by others of a much less promising character. I was obliged to point out to the Committee that there had been a serious deficiency, amounting to a million dollars, between the receipts and expenditure for the year 1864-5. I am glad to be able, on this occasion, to congratulate the House on a much more favorable state of affairs. We have had to pass through a period of great difficulty since the financial year commenced. We have had it marked by some events which certainly will be historical in this country—by the abolition of the Reciprocity Treaty as regards our commercial affairs, and by the attacks upon the integrity of the country made by a lawless band called Fenians, in the latter part of the year. Both these events may have been supposed to have injuriously affected the resources of the country, and no doubt they have done so. At the same time it is satisfactory to know that, thanks to the good harvest with which we were blessed last year, and the industry and energy of our people, we have been able to meet those difficulties in a manner which leaves us now, at the commencement of another financial year, in a much better position in every respect than we occupied twelve months ago. The Accounts for the past year have been made up absolutely to the 20th June, and estimated for the last ten days of the year to the 30th June. They are, I believe, in the hands of honorable members of this House, and I shall now briefly

refer to them, because I think that reference will be satisfactory to the House and to the country. The expenditure of all kinds during the past year has been \$12,106,786, of which there has been applied to the redemption of the Public Debt, \$270,393, leaving as the ordinary expenditure, \$11,836,393. On the other hand it will be found that an income has been obtained during the past year of not less than \$12,432,748. Consequently, after meeting all the charges that have been brought against us during the past year, we have had a surplus of \$596,355—(hear, hear)—and, after making provision for the redemption of the Public Debt that has matured during the past year, we have carried to the credit of the country no less than \$325,962. (Cheers.) I may refer briefly to the estimates which were laid before the House last year. The estimated outlay was \$11,074,000. The actual outlay has been \$11,836,393. But of that there is no less than \$1,150,000 to represent the unexpected charges to which the country has been subjected, owing to the lawless attempts of bodies of men to invade our territory. And, from the manner in which the country has met, physically, these attempts, and from the manner in which this House has responded to the application of the Government to indemnify them for the expenditure, I know it will be satisfactory to the country to learn that all these expenses have been met, and no greater charge brought against us than what the ordinary revenue has been more than able to cover. (Cheers.) I may remark here that the amount set down for Militia expenditure covers not only the actual payments to the 20th June, but no less a sum than \$675,000 in addition, which is the total estimated outlay that will have to be made in connection with the last and most serious danger, and the calling out of the militia connected therewith. The estimated income was \$11,136,000, and the actual amount received \$12,433,000, being an increase over the estimate of \$1,297,000. It may be proper I should advert to the principal sources of revenue from which this additional sum has been derived, and I have great pleasure in doing so, because they are those which best indicate the prosperous condition of the country, and its ability to meet the charges which from time to time have come upon it. The minor sources of revenue—the Post Office, Public Works, Territorial, and all those minor revenues—have remained very much as they were before. But the consumption of products from abroad, as indicated by the Customs revenue, has been very much larger. We have received from Customs last year \$7,233,248, against an estimate of \$6,160,000—an excess over the estimate of \$1,073,248. From Excise we have received \$1,732,575, against an estimate of \$1,550,000—an excess of \$182,575. Various causes have undoubtedly operated to produce the increased imports during the past year. It is pretty well known to the Committee that the stocks of goods in the country had been to a great extent exhausted before the termination of the last financial year. It was then believed that a considerably increased import would take place, and it

was felt that, if we were blessed with the harvest then looked forward to, the people of this country would be much more able to consume imported goods than they were during the year then past. I confess it was not in my expectation that the amount would be anything like what it has turned out to be. And I do not think we would be justified in assuming that the normal condition of the country is such as would permit a consumption of that amount every year. As regards the increase of the Excise, I may remark that I estimated a distillation of 3,250,000 gallons of proof spirits, whereas we have received duty on 4,030,000 gallons—a very much larger quantity than was expected. The receipts from beer and tobacco do not vary much from the estimate. The great difference in the revenue has arisen from the increased consumption of imported goods, and the increased distillation of spirits. With regard to the increased expenditure, to which I have already partially adverted, it was estimated that the expenditure for Militia purposes would have been covered by the sum of \$500,000. But the accounts shew that before the close of the year it is expected that no less than \$1,638,868 will have been expended under that head. And I need not point out to the Committee that, had that expenditure come upon the country under circumstances less favorable than those which actually have occurred, it would have caused very great inconvenience indeed. With regard therefore to the accounts of the past year, I am happy to be able on this occasion to make this statement, that all the engagements of the country, both those which were contemplated by Parliament last year, and those unexpected then and thrown upon us since, have been met by the ordinary revenue of the country, and that we have still been able to carry forward a considerable sum to the service of the following year. (Cheers.) As regards the trade of the country, the Statements which have been distributed to the members of this House, are, I think, of a character to give satisfaction to every one. Comparing the actual trade of 1864-5 with that of 1865-6, as established by the Custom-house returns for the eleven months beginning July 1st and ending May 30th, we find that the imports in the eleven months of the previous year were, in value, \$40,955,509, against, during the current year, \$49,034,045, and that for the whole twelve months, making an estimate for the results of the last month of the present year, the imports of last year were \$44,620,469, against \$53,034,045 during the year to close on the 30th instant. Consequently there has been an excess of imports, as compared with the previous year, of no less than \$8,413,576. Now, Mr. Chairman, had this increase of imports not been attended with an increase of exports, instead of its being a subject of congratulation, it might possibly have been a subject of considerable apprehension. In that case we should have concluded that there had been an excessive importation of goods, that it had gone much beyond what a provident course of action would have dictated, and that, consequently, we might anticipate very shortly in the future the same sort of financial revulsion which has been expe-

rienced in all countries that have traded beyond their means. But it is with pleasure that, on the other hand, I call the attention of the House to the statement of exports. The exports for the previous year were \$42,481,151, against \$51,984,375 during the current year, which shews an excess over the previous year of no less than \$9,503,224, or upwards of one million of dollars greater than the amount by which our imports this year have exceeded those of the previous year. (Hear, hear.) Consequently, though our import trade has been large, we find, in reality, that the export trade of the country has more than met it, and that the people of this country have been justified in going to foreign countries and getting from thence the goods they have required for consumption, because they have really exported to those countries a larger amount than they have imported from them—and we need not therefore anticipate that the results of the trade of last year will be in any way embarrassing to us in the future. If the same prudence characterises the people of Canada in the future as in the past—if we import no more than we have the ability to pay for—we shall not be exposed to those revulsions of trade which are now the source of misery and anxiety in many countries. In further reference to our commerce, I cannot help pointing out that the aggregate trade of the country has risen in one year from \$87,101,620 to no less than \$105,018,420—a difference of \$17,916,800 in the volume of trade which the people of this country have carried on with foreign countries—which exceeds, by more than \$10,000,000, the volume of trade in any previous year in the history of this country—and marks an advance in the prosperity and prospects of the country which may well form a subject of congratulation to this Committee and the people of this Province. (Cheers.) I do not think, in view of the number of subjects which I intend to bring as briefly as possible before the attention of the Committee, that I should be warranted in dwelling at any length on those Statements which are in the hands of hon. members. They will, to a great extent, explain themselves, and if any points arise requiring further explanation, there will be ample opportunity in Committee of Supply to give any information that may be desired. I think, therefore, I may be permitted at once to turn to what is the condition of the country now—the estimates which have been framed for the public service for the coming year, and the means by which the Government trusts that Parliament will make provision for that service. I have caused to be distributed a Summary Estimate of the Expenditure of the country for next year—the year commencing 1st July. By reference to that statement, it will appear that the total estimated expenditure of the country—excluding \$2,570,500 of public debt which matures during the year, and on which I shall have occasion to offer some observations hereafter—is put down by the officers of the Government at \$12,376,150. With regard to the items of that expenditure, I may be permitted to remark that many of them are increased from the same causes which have necessitated an increased estimate for the Militia

expenditure of the country. Some, however, have not arisen in that way. As regards the item for Civil Government, it will be observed that under the provisions of the Civil Service Act, a continual increase must arise in the salaries of the public officers, consequent on the promotions to which they are entitled under the Act. Accordingly, there will always be an increase, though not very large, in that item, only reduced when the public officers, through age, cease to be servants of the public. I may add that, under the head of Civil Government, it has also been found necessary to make a considerable addition to the item for Contingencies, that item having, to a certain extent, been swelled by the circumstance of our having moved into these magnificent buildings at Ottawa. It has been found that we cannot live in a large house quite as cheaply as we have lived in a small one, and when the Province of Canada has found it necessary to build a palace for our accommodation, it has become necessary to have a greater number of servants to occupy it. (Hear, hear.) As regards the Administration of Justice (East and West,) we have been obliged to frame estimates founded on the probability that the administration of criminal justice will be considerably more costly during the year about to commence than in the year which is past. To show this I need only advert to the number of criminals who are under incarceration, charged with attacks on this Province, and to the necessity under which the Law Officers of the Crown have felt themselves of taking this year more than ordinary precautions for the peace and order of the country. The cost of these precautions, I do not hesitate to say, is the cheapest and best investment of the public money that could be made. It is much better that we should spend the amount required to make needful preparations, than find ourselves hereafter, for the want of these preparations, subjected to much heavier charges. Consequently the Government have felt it was their duty to invite the House to vote sums for the Administration of Justice, not very much, but somewhat larger than were given in the previous year.

The same remark applies to the item of Police, on which there is an increase of about \$16,000, and I hope the Committee will agree with the Government as to the necessity of providing that increase for a force, which, under certain circumstances, must be kept up in a more than ordinarily efficient condition. We cannot, under present circumstances, avoid the employment either of a large police force, or of a much more expensive force, the volunteers. With regard to the expenses of Legislation, I may remark that the sum estimated last year was considerably in excess of that actually expended. This year the estimate is \$452,000: the same cause which has operated to induce the Government to ask a larger sum for Civil Government having also tended to swell the sum for the two Houses of Parliament. At the same time it is proper I should remark that this item includes the expense estimated for the Legislative Council elections, which will take place this fall, but that it does not include the expense of a general election.

I think the House will agree with me in believing that it is not probable the Parliament of Canada will be required to provide the means for another general election. I trust the Union of the Provinces will have taken place in such time, that the next election will be a general election for the Federal Parliament of all the Provinces—(hear, hear)—and consequently the Government does not think it necessary for the Parliament of Canada to make any provision for the expenses of that election.

Hon. Mr. HOLTON—Who will pay for it?

Atty. Gen. CARTIER—The people.

Hon. Mr. GALT.—Passing over several of the other items, I come to that of Militia. I regret to be obliged to state to the Committee that the Government do not feel themselves to be in a position to be responsible for the safety of the country, unless they obtain from the House the grant of a very large sum for the Militia expenditure. Instead of asking, as last year, for a grant of \$500,000, the Government feel it their duty to state that they believe it to be necessary—though they may not require to expend the whole—that they should be provided with a credit under this head of no less than \$1,500,000. (Hear, hear.) The Government are perfectly conscious of the responsibility they incurred during the year now closing, in violating the provisions of the law in regard to the public expenditure, and they do not desire to be again put in that position. They prefer very much to state to the House what are their apprehensions in regard to the safety of the country, and what, therefore, are the powers with which they consider they should be armed by Parliament. And, though the explanation of this item will more properly come from the Minister of Militia, when the Militia estimates are before the House, still it may not perhaps be considered amiss that I should say two or three words now in explanation of the sum required for this purpose, which is very much larger than the Parliament of Canada has ever before been called upon to vote. In the first place, I think it will be admitted to be desirable that the volunteer force, to which the country owes so much during the last few weeks, should receive a still larger development—that we should give the youth of this country a fuller opportunity of lending their physical support to the Government, by increasing the number of the force. And, therefore, my hon. friend will ask the House, when the detailed estimates are brought down, for means to arm and equip a force of 35,000 volunteers instead of 25,000. (Hear, hear.) Connected with this subject also is plainly the necessity of providing, within the reach of the people of the country, depots of arms at convenient points. A vote will be asked from the House for that purpose also. It will further be necessary to continue the existing drill of the volunteers, and to maintain in still greater efficiency the military schools, which are now furnishing hundreds, I might almost say, thousands of young men to be the future officers of our militia. These objects must be provided for now, as it is too late to begin to provide for them when the country is threatened with inva-

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sion. Though it may be perfectly true that we are alongside of a friendly country, and though we willingly recognise the mode in which the United States Government have discharged their duties towards us after the inroad into Canada, still we must all feel that the security of the country is to be found in its own power—not in the forbearance of another, or in the discharge of duty by another, but in its own ability to maintain our independence and safety. (Cheers.) Having these views, the Government desire they should be in a position, whatever may happen, to defend our borders against lawless attacks. We do not apprehend anything beyond that. But no one can look at the events which are passing in the United States, without feeling that the Fenian Snake is scotched, but not killed—that it may revive at any moment—and that this country may again require to call its young men to the front to meet a lawless horde. Under these circumstances it is necessary we should be in a position still more effectually to meet the difficulty, and repel any aggression that may be attempted. (Hear, hear.) With regard to Public Works and Buildings, which is the next item to which I would call the attention of the Committee, it will be observed that the estimate is considerably in excess of the amount expended last year. The Government on this occasion have felt it necessary to include in the estimate all the expenditure that they believed could come within the year, and I may add that that consideration has guided the Government in the preparation of the estimates in every particular item—and for this very manifest reason, that, unless sufficient provision were made now, very considerable inconvenience might arise in the event of any delay occurring in the bringing about of Confederation; therefore, a much larger amount than the probable expenditure has been estimated for the public works. I will not enter into the particulars of it, however, because they will be brought down to the House in a day or two by the Commissioner of Public Works. I merely state that a large portion of the amount is to provide for liabilities incurred for work to be done in completing the Parliament Buildings. With reference to the item of Roads and Bridges, I may mention that the policy which has been pursued by the Government has been to exclude all works of a merely local character. The estimates embrace the usual vote for colonization roads, which it has not been thought proper to stop for the current year, and an item of \$9,000 for the completion of the Matapedia military road; but no work of a local character will be proceeded with. Expenditure of that kind the Government look upon as belonging more particularly to the governments of Upper and Lower Canada, which, it is hoped, may in a short time be in operation. With regard to the Seigniorial Indemnity to the Townships, the amount voted last year has not been wholly expended, and the balance of \$20,000 has been carried forward in the usual mode. If the estimate for the past year was larger than the expenditure under this head, it was only because parties did not apply for the amount to which they were entitled,

and there has been for the coming year no actual increase in the amount voted by Parliament. I have now endeavoured, briefly, to bring under the notice of the Committee the several items in the estimates of the expenditure of the country which I thought would be likely to attract their more immediate attention. Of course there will be ample opportunity hereafter, when the details of this expenditure are before the House, to consider the reasons which have actuated the Government in including those sums in the estimates, and more particularly the grounds on which the necessity for each expenditure may rest. I now propose to proceed to the provision for the estimated expenditure which it will be necessary for the Province to make. I have already stated that the amount we have to provide for, exclusive of redemption of the public debt, is \$12,376,150. In making provision for that amount, I think it is proper for us first to consider those items which, under ordinary circumstances, are not much changed, and which cannot be materially altered by the action of Parliament. I refer more particularly to the Post Office—to American Postage—to the Public Works, in which it is not proposed to make any change—to the Territorial Revenue—and to the Miscellaneous Revenue, that is to say, the revenue connected with the Municipal Loan Fund, with the various Law Fees, and, I may add, with the Stamps. Those items together have been estimated relatively to the returns of former years, and it is believed a sum, in all, will be received, of \$3,925,333, from all sources except Customs and Excise. Consequently the amount which it will be necessary for the Committee to provide, either by way of Customs or by way of Excise, or by way of both, is \$8,450,817. But under the present laws which govern the Customs and Excise, I think we should not be warranted in framing an estimate upon the receipts of the year now about to close. I think we must necessarily admit that various circumstances of an exceptional character have tended to swell the revenue certainly from Customs, and possibly from Excise, during the past year. When we remember the position in which the United States stood at the termination of their civil war—when we recal to mind the excessive prices which ruled in that country for almost everything—when we remember that their citizens came over to this country and purchased very largely of all sorts of necessaries during the first nine months of the fiscal year now closing—when we remember that, in view of the abrogation of the Reciprocity Treaty, I may say an unnatural stimulus was given to our export trade with the United States—when we remember all these things, I think we are justified in the belief that the state of affairs which gave us the very large Customs revenue last year of upwards of \$7,000,000, cannot safely be reckoned upon in the estimates for next year. In making these estimates, we must look to the fact that the ordinary supply of goods in this country has to a certain extent been filled. We must also anticipate a derangement, more or less, in the course of our commerce, precluding our people from buying to the same extent as last year, and interfering

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to a certain extent with their finding an immediate market for their productions. I use the word "immediate" advisedly, for much of our produce that used to be sold in the United States will ultimately find as good markets elsewhere. But I say, taking all these circumstances into account, we would not be justified in expecting that the import trade of the country, that which yields us our Customs revenue, will be equal to what it has been during the last twelve months. It may be considered a large, but it is, I certainly think, not an excessive estimate, to say we should derive a Customs revenue of \$6,400,000 under existing laws. With reference to the Excise, I think the estimate made last year of \$1,550,000 will be found nearer the mark for the normal state of the country, than the amount we received last year of \$1,700,000. I think, therefore, on the two items of Customs and Excise, we could not, under our laws, as they now stand, expect a larger revenue during the approaching year than about \$7,900,000. The actual result may, under exceptional circumstances, exceed that amount, but on the other hand exceptional circumstances of a different character may make it fall under the estimate. If, therefore, we have to provide for an expenditure of \$8,450,000 out of Customs and Excise, and existing laws will only give us \$7,900,000 under those heads, it is clear that Parliament must make provision for the difference in some mode or other. The Government find themselves therefore in this position—they cannot, in compliance with what they believe to be their duty to the country, neglect providing for those large expenditures which are necessary for its defence. The whole difficulty arises out of the increase of the Militia estimates from \$500,000 to \$1,500,000. If, with justice to the people of this country, we could confine our militia expenditure to \$500,000, the difficulty would be at an end. But the Government feel they cannot do so, and I think, in that opinion, they will be sustained by the House and the people at large. (Hear, hear.) Consequently, we have to consider the necessity for increased duties. But at the time we are obliged to consider that necessity, we find that the agricultural interest, forming the great bulk of our population, the stem and trunk of the social tree, has been more or less affected by the shutting of the United States markets through the abrogation of reciprocity. The question therefore forces itself upon us now, are we to allow the great interest of this country, which fills the public chest by its contributions, to be at the same time burdened with increased taxation and subjected to the loss of markets? Is it not rather our duty to relieve the burden of taxation under which it labors, and when possible even afford it new markets? To accomplish this is the problem now before us. On the part of the Government, I may say we should have been glad, for manifest reasons, that the consideration of these subjects had not been forced on us at this moment. It is true that on several occasions during the last two years, the Government have stated that they would have invited the consideration of the House to the

mode in which our taxation is levied, except for two reasons—one, that after the expected Confederation of the Provinces, an assimilation of taxation must prevail through all the North American Provinces,—the other, that we believed the negotiation which was to take place with the United States for a continuance of the Reciprocity Treaty would equally require the fiscal system of this country to be reconsidered and readjusted. For these reasons it has been stated on two former occasions by myself, that the Government were not prepared to invite the House to enter on the consideration of this subject. But we meet Parliament now under different circumstances. We meet them after the refusal of the United States to enter upon the consideration of a new treaty with us. We now have to encounter duties imposed by the United States, of a very onerous character, on all the articles which were included in the free list, and at the same time we find ourselves—I do not say, owing to any want of good faith on their part, but owing to the disturbed state of society in the United States—called upon to take much more extensive precautions against aggression from that quarter. Consequently, the Government are of opinion that this question must be submitted to the judgment of the House now; that we must now consider whether we can so re-adjust the duties of Excise and Customs, as to cheapen to a great extent the articles which go into the consumption of the vast body of the people of the country, and at the same time impose heavier duties on those articles which will furnish a larger amount of revenue with less cost for collection. It is not simply a question of increased taxation. If it were, there is no doubt it could be met in a variety of ways—by an increase of Excise duties, or by an increase of certain Customs duties. But we have to solve other problems. We have not only to obtain increased revenue, but we have, as far as possible, to impose the increased taxation so as to open new markets for the productions of this country, and I trust the measures which I shall submit to the judgment of the Committee will be considered by the House as calculated to achieve that very important object. Before I advert more particularly to those measures, I would remark that I think it must be admitted we have now a choice between two systems. We have the choice of the American system or of the European. The making of that choice I do not think we can well postpone. I do not see how we can avoid taking that question up now, if we are to meet the difficulty we now experience. If we take the United States' system of protective duties, of protecting every branch of industry, we shall, to a certain extent, assimilate our system with theirs—a course which I do not think the people of this country would approve. (Hear, hear). On the other hand, if we adopt what I called the European system—because the policy of England is now being generally adopted by other European countries—if we adopt that system as opposed to the American system, then I think we shall stand in the position of offering to the people and

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the capital, which for various causes are now seeking new homes and employment, a country possessing more advantages than any other on this continent. I do not believe that the United States can continue for any great length of time to absorb the redundant population of Europe, subject as they are to very high rates of taxation. If on the other hand we in Canada, or, I would rather say, in British North America, are able to offer those people land of equal fertility, and at least equal security for life and property, and if at the same time we can shew them that every article that enters into ordinary consumption can be bought very much cheaper here than in the United States, I think we may reasonably hope to be able to attract to our shores much of that immigration which of recent years has swelled more than anything else the wealth and prosperity of the neighbouring republic. We are entering on a new state of political existence. If there is any prominent feature in the future we have designed for ourselves, it is the establishment of a separate and distinct nationality; and this can only be accomplished in one way. If we are in every respect to copy the policy of our neighbours across the line of 45°, the natural course would be to become one with them. But if, on the other hand, we believe, as we do all believe, that the continent of North America is sufficiently extensive for two nations, two empires, then it is time that, taking lessons from those great authorities on political economy who have shed light on the commercial transactions of Europe during the last few years, we should endeavour so to adjust our system that we may be able to invite immigrants here, telling them that this is a better country, and governed by wiser principles, than the country along our borders. At the same time the advances we may make in this direction cannot fail to be acceptable to our friends of the Maritime Provinces. If the Government supposed that the policy we were submitting to the House and the country to-night would have a prejudicial effect on the great question of Confederation, we should hesitate very much before proposing it. But we feel convinced that in approximating our system to that of England, and thereby levying our duties more in accordance with those of the Lower Provinces, so far from creating difficulties in the way of our union, we are removing obstructions from its path, and taking away from the adversaries of Confederation in those Provinces some of the arguments with which they have been accustomed to combat the project; and, moreover, if it is necessary to make further changes in assimilating our tariffs—and it can scarcely be supposed that the system of taxation which Canada adopts now will be adopted without any change by the other Provinces—then we shall have the satisfaction of having come much nearer to the point at which we can mutually agree, and the shock arising from the change and the interference with business will be much less than if we postpone any alteration of our system until we have to make a complete change of it in all its parts. I think too that a change in this

particular in the fiscal policy of Canada may be advocated, and advocated strongly in this House, on the ground of its being desirable with a view to our relations with the mother country. I do think that now, when we have to look to the support of England on most important questions—when we are looking to Great Britain to defend us on our inland waters—and nothing can be more important than that—and when we look, on the other hand, to her naval force being employed for the defence and the maintenance of our rights in the valuable fishing districts on the American coast—when we are calling on England, too, to assist us with the whole force and power of the empire in any possible quarrel that may grow out of her relations with the United States—I say that, under these circumstances, it is well worthy the consideration of this House whether we cannot adopt such a policy as will be more in accord with her views, as will meet more clearly the requirements of the great public of the British empire at large—and whether in meeting our own immediate difficulties, we may not, at the same time, have the opportunity of doing that which is at once both graceful and useful to our fellow-subjects in the mother land. (Hear, hear.)

After referring to the state of our trade with England, I am induced to say a few words with reference to our trade with another nation, the most important European country after England—the Empire of France. I think, addressing as I do an assembly composed of Englishmen and Frenchmen, it is unnecessary for me to apologise for saying a few words with reference to the importance of drawing more closely together the bonds of sympathy and interest with a country to which many of our fellow subjects are united by the ties of race and kindred. (Cheers.) It is not mere words of sympathy that ought to unite us, but those ties between friendly nations that benefit each materially. On reference to the statistics of trade we find that no country in Europe is, setting aside England, as large a dealer with us as France, or has a trade more advantageous to us. France, following up the free trade policy initiated by England, has opened to Canada all the ports of the empire and her colonies. Duties upon all the products of our country, except one, have been reduced year by year, till they have almost entirely disappeared. There has been one exception, which was of great moment to us, as it affected one of the largest interests of the country—the ship-building interest. In the case of ships, the policy of France was not immediately as free and liberal as it was in regard to every other article. I have now, however, the satisfaction to state, with the permission of the Consul-General of France in Canada, that the duty on Canadian ships going into French ports is now reduced from twenty francs per ton to two francs. (Cheers). I congratulate the ship-building and lumbering interest on this great reduction, which I regard as important not merely with reference to the particular advantage it will give us in selling ships in French ports, but as regards the greater probability of inducing merchants to place cargoes in those vessels to seek a market in

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France. (Cheers.) It would not become me to enter at any length into the consideration of the difficulties that attend trade with France; but the fact is, we buy so little from her that we cannot expect to sell much to her. If we expect to sell our ships, lumber, and other Canadian productions in France, we must make up our minds to deal with her and purchase her products in return. With regard to our existing trade, it may be interesting to give the Committee a few figures showing its amount. Our import trade from Great Britain during 1864-5 amounted to twenty-one millions of dollars. I am sorry I cannot now give the figures showing the trade of the year just closing. I am, therefore, compelled to use the figures belonging to a year not so favorable. Our imports from the United States for the year 1864-5 amounted to nineteen and a half millions, and from all other countries, say, in round numbers, four millions. We know very well that what we imported from Great Britain consisted almost entirely of manufactured goods. There may have been small quantities of teas and other commodities, but the great bulk of the importations from that country, say nineteen-twentieths, were the products of the industry of Great Britain. When we apply the same analysis to our imports from the United States we find a great difference. We discover that of our total imports from that country, \$4,700,000 consisted of coin and bullion, and that free goods accounted for \$10,000,000 more. I do not propose to enter into explanations on this matter at present, because it is well known that the free goods imported by us from the States were almost, without exception, represented by similar goods exported from Canada to the States. This trade was no doubt beneficial to both countries, as representing a carrying trade, but our imports under this head could not be regarded in the same light as articles entering Canada for home consumption. It is a useful and profitable trade, but not one of the same character as that in manufactured goods. The dutiable goods we imported from all other countries during the same year amounted to about four millions of dollars, of which upwards of two million dollars worth was composed of West Indian, including Spanish American products. The amount of goods we were able to purchase from the Americans, out of the very large trade between them and us, came to only about two millions of dollars. That result was largely owing to the derangement of trade consequent upon the late civil war. The great and prominent point to be remembered, then, in this connection, is that our trade with the Americans was very much of this kind—that we sent them articles of the same character as we imported. (Hear.) I take this opportunity of referring for a few moments to a letter which Mr. Brydges has been kind enough to place at my service, containing the results of his recent visit to the Lower Provinces, with respect to their trade,—I refer to a letter addressed by that gentleman to the Chairmen of the Boards of Trade of Quebec, Toronto, Montreal, and other Canadian cities. I call attention to the statement therein contained of the quantity of flour consumed in the Lower Provinces during the past year:—

New Brunswick	256,000 bbls.
Nova Scotia.....	382,000 "
Prince Edward Island	33,000 "
Newfoundland.....	203,000 "

Making a total of..... 874,000 "

This is more than the average importation of flour into the United States from Canada. Mr. Brydges goes on to point out the channels of trade by which this flour and similar products of Canada are sent to the Lower Provinces; and it will be evident to any one giving the matter consideration, that by using properly the existing sources of trade now at our command, and by constructing at an early day the Intercolonial Railway, we may expect to find very soon a market for our products in the Lower Provinces which will be very beneficial to this country. (Cheers.) I think it would be interesting to the Committee to have some slight return made of the results of our Commission to the West Indies. Unfortunately, notwithstanding vigorous exertions on the part of the Hon. Provincial Secretary and his colleagues in the mission, the full results of the inquiry are not yet in the possession of the Government. The truth is that in dealing with the subject under their consideration, dividing it into so many branches, they have obtained or opened up a greater amount of valuable information than was originally anticipated; and in ultimately endeavoring to compress the whole into a compendious report they have been delayed in placing the result of their operations before the House. If I had time to read the statistics of the trade of the United States with the West Indies and South America, I could convince the House of the very great opening that exists there for trade from this country, provided there is sufficient energy and enterprise among our mercantile men to take advantage of the field. I shall mention a few articles which we might furnish as well as the United States. The first I shall take is fish, the trade in which between the latter and the West Indian Islands amounts to very considerably over a million of dollars. Then the article of house furniture may be referred to, as representing a trade of half a million dollars; and the trade in ice, which amounts to one hundred thousand dollars. All these articles we could surely supply as easily and cheaply as the United States. (Hear, hear.)

Hon. Mr. HOLTON.—To what countries does your return apply?

Hon. Mr. GALT.—The British, French and Spanish West Indies, Hayti, St. Domingo, Venezuela and Brazil. There is a variety of other articles with which we might be able to supply those countries, extending materially our trade with them. We might furnish many of the articles now going from the States, which are not in as favorable a position to carry on a trade of this kind as Canada, owing to the heavy duties there imposed upon all commodities. The amount of lumber exported to those countries is enormous, the quantity going to "the

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British West Indies amounting in value to about \$350,000, and to the Spanish, exclusive of shooks and staves, upwards of \$1,500,000, while the value of all kinds of lumber exported to those islands, including shooks and staves, reaches \$2,500,000. Then vegetables, oats, peas, barley and numerous other articles annually sent to the West Indies might form part of the cargoes leaving this country and the other British Provinces, instead as at present of those leaving the United States. The American export trade with those countries is no less than sixty millions of dollars, and it is not assuming too much to suppose that with the intelligence and energy of our merchants directed to that end, we may before long succeed in engrossing a very considerable portion of that trade, and decreasing, of course by the same amount, that now enjoyed by the United States. We know that a large portion of the former export trade of the United States embraced merely goods *in transitu* to these countries. But subjected, as goods manufactured in and entering the States are now, to heavy duties, they no longer stand in a favorable position, and the result must be that either the United States will supply goods from their own stocks, at enhanced prices, or the exports will be kept down.

Hon. Mr. HOLTON.—Were there any obstacles to our trade with those countries heretofore?

Hon. Mr. GALT.—I am not aware; but the fact is we found a market for those articles in the United States, and it will be admitted that when there is a buyer coming to your own door there is urgent temptation to sell to him. The United States have now said it is not in the interest of their country to continue their former commercial relations with us, and the consequence is we are driven to seek the means whereby we can supply those articles, raised by us and consumed in the West Indies, direct by our own channels rather than through those of the United States. (Hear.)

Adverting to the remarks I have already made, it will be evident that the course of the Government on the present occasion must be to recommend an increase of duties on certain articles, and a reduction on others. And it is hoped and believed by the Government that the changes proposed will be conducive to the prosperity of the country, by tending to develop our foreign market, while at the same time they will not prejudicially affect any existing interest.

I think, Mr. Chairman, it will be universally admitted that there is no source of income which we are more entitled to draw upon than duties of excise. I have stated on a previous occasion that I believed the only limit we need observe in regard to raising the duties of excise was the point at which it was found we must lose revenue thereby. We have not yet reached that point. We have found for example that the manufacture of distilled spirits has risen from three millions of gallons per annum to four millions under an excise duty of 30c per gallon. We know the

country with which in this respect we are brought into competition, and that the excise duty imposed by the United States is \$2 per gallon, which, making allowance for the difference of the currency of the two countries respectively, is a very much higher duty than ours. This being the case, the Government think it will be in the public interest that there should be a large increase in the excise duties on spirits, and it will be my duty to propose an increase accordingly. The change I shall now submit for the approval of the House is an increase of the excise on spirits from 30c to 60c per gallon. With regard to beer, it is not proposed to increase the present excise; I do not think we can make much change, the duty on this article bearing about a fair proportion to that proposed for spirits. With regard to tobacco we do not intend making any change either. I do not hesitate to say that if we had the machinery of collection in proper order, I should recommend an increase of tobacco duties. But until we obtain a more perfect machinery for this purpose, the increase of duties upon it would not lead to an increase of our revenue, but to frauds upon it. I do not assume that, with the increase of the excise on spirits we are to have a quantity equal to that of the past year's manufacture; on the contrary, I assume that there will be a falling off from 4,000,000 to 3,250,000 gallons, which experience teaches us is less than the average consumption during the last six years. The revenue from Excise, then, under the proposed change, I assume, will amount to \$2,550,000, which is that which we will ask Parliament to impose.

I now come to the changes in the tariff. All the Customs duties on spirits must necessarily be modified in order to meet the increased duty of Excise. We propose to go beyond that, and to impose a specific duty on brandy, gin, rum, whiskey and other spirits, amounting to 70c. per gallon—ten cents more than the excise. In regard to brandy, we find that in reality the country is supplied with a spurious article. There is no question that the greater portion of the brandy sold here is made from whiskey. Now, we desire that if the people pay for brandy they should get the genuine article. (Hear, hear.) We see no reason why they should pay a higher duty on this particular description of spirits than upon any other. Therefore we propose to put the whole of the spirit duties on a uniform footing of 10c. per gallon higher than the Excise duty. The effect of this change will be to increase the importation of certain kinds of spirits, such as brandy. At the same time, I hope and believe that the effect of this increase of duty on spirits will be to induce the people of this country to consume, to a greater extent, other and less hurtful beverages than at present. There is reason to believe they will find an inducement in the cheapening of other liquors, such as wines, to give up the consumption of an article that all will agree is attended with very hurtful consequences. (Cheers.) With regard to tobacco, I have to state that, after giving our best consideration to the subject, the Government have come to the conclusion that

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there is nothing connected with the tobacco trade that ought to induce them to put any higher duty of Customs on the manufactured article than the present Excise rates. Unmanufactured tobacco will still be admitted free. (Hear, hear.) I must now refer to a class of articles which I have no doubt every member of the House has considered deserving of notice in consequence of the abrogation of the Reciprocity Treaty. I refer to Indian corn and the coarse grains that we import from the United States. I confess that, for many reasons, it occurred to me it would be well to avoid putting any duty on them. (Hear, hear.) My individual opinion is that it would be well, in every respect, if we could avoid putting duties on any articles consumed in this country. But we are unable to do so, and besides we have to consider, to some extent, what the temper of our people at present is, and whether the policy we adopt is likely to produce changes in the policy of the United States. For these reasons it is the intention of the Government to impose a small duty on butter, cheese and other articles, as will be seen by the Resolutions, and on Indian corn, barley and other coarse grains coming here from the States, but not on wheat, of ten cents per bushel; but the Government propose, at the same time, to ask the authority of Parliament to remove the duty in the event of the United States making a reduction on similar articles exported thither from this country. If it should be the case that injury to our trade appears likely to result from the course we propose—and I am inclined to think it would be wiser, perhaps, to open our ports free to the importation of those articles—we can hereafter make any change which appears most beneficial. But I believe the feeling of the country is in favor of the imposition of some duty on articles heavily taxed by the United States on their importation from Canada, so as to protect our own producers and encourage consumption at home.

In answer to Hon. Mr. HOLTON,

Hon. Mr. GALT went on to say—We propose to put a small duty on imported flour, but none on wheat.

Hon. Mr. BROWN—How much do you propose to put upon flour?

Hon. Mr. GALT—Fifty cents a barrel. I shall now refer to another point which has engaged attention on several occasions—namely, the free ports. (Hear, hear.) We consider, from all the evidence in our possession as to their working, that it is not for our interest that they should be maintained. We therefore propose to abolish them. (Cheers.) There is only one other article on which the Government proposes to increase the duty, and that is tea. We propose to add to the present specific duty three cents per pound, making the whole duty on that article—assuming that the quality and cost price of the tea that will be imported will remain the same as in former years—between twelve and twelve and a half cents per pound, instead of as at present, about nine cents per pound. Having regard to the American duty on lumber, it is proposed to invite the House to put a small export duty on saw-logs.

The effect of the American duty at this moment is to give an absolute bonus to the importation of saw-logs into the States. We consider, however, that there should be an obstruction placed on the exportation of that article, which is taken away from our mills to be manufactured into lumber to compete with our own. (Hear, hear.) There is also another point which I must advert to, and that is the mode of levying the duties—

Hon. Mr. BROWN—How much do you propose to put on saw-logs?

Hon. Mr. GALT—Twenty-five cents per standard pine log. It is also considered desirable to alter the mode of levying the duties, which is at present attended with so much difficulty. It is proposed to levy them in a manner resembling the American system, which assumes as a basis their cost at the place of production together with all the accumulated charges which make up their market value at the port of shipment. I believe the change is one which will give satisfaction to the Trade, and it will yield an increased amount of duty of \$263,000. The total amount of increased revenue estimated to be derived from the articles I have alluded to, namely, from the spirit duties, tea, tobacco, the abolition of free ports, the charges resulting from the abolition of the Reciprocity Treaty, the export duty on saw-logs, and the new mode of levying the duty, is \$2,910,797. (Cheers.)

Hon. M. HOLTON—Is that the whole amount of the increase in the revenue?

Hon. Mr. GALT—The total revenue to be derived from the articles which I have mentioned will be as stated.

Hon. Mr. BROWN—Including the whole duty on tea?

Hon. Mr. GALT—The whole of the tea, sugar and spirit duties. I am referring, of course, to the Customs duties; but now I will give the total of the Excise.

Hon. Mr. HOLTON—But what will be the increase from the Customs?

Hon. Mr. GALT—About \$700,000; but the hon. gentleman will see, when I complete my calculations, what the probable result will be. Well, sir, the remaining articles in the Customs Tariff, at existing rates, are estimated to yield \$4,334,105; and consequently the total estimated amount of Customs, at the existing rates and with the changes I have mentioned, would be \$7,244,902, and of Excise, \$2,550,000, making together the sum of \$9,794,902, which, with the minor receipts I referred to before—namely, the Crown Lands, Post Office, &c., amounting to \$3,925,333—would make a total estimated income of \$13,720,235 against a total estimated outlay of \$12,376,150. Consequently, the changes which I have mentioned in the Excise and Customs would leave at the disposal of the Committee the amount of \$1,344,085; and I think, sir, when we come to consider the mode in which that sum will be applied in the way of reduction of duties, it will be found entirely to justify the changes proposed in the way of increase. (Hear, hear.) Now, sir, in proposing to deal with this estimated sum of \$1,344,000, I

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may be permitted to advert to the principle that I think ought to govern us, as far as circumstances will permit, in the readjustment of our tariff. In doing this, I will take first the article of sugar. Now, under any circumstances, it would have become my duty to propose changes in the duties on sugar. They are objected to as not resembling those of any other country. They are not known in the foreign markets where sugar is produced and sold; and great difficulties arise from uniform rates not being levied at our ports. For these reasons it has appeared desirable that some new scheme be adopted with regard to them; and the Government, after getting the best information on the subject which it could obtain, and after receiving reports from skilled officers in its service, has come to the conclusion that the interests of the country will be best promoted by adopting the English standard of duties for all qualities of sugar, brown and refined. We think that, irrespective of the question of the amount of duty to be derived, there are many collateral advantages in our having here the standard adopted by one of the largest sugar-purchasing countries in the world—a standard which is known to all countries where sugar is produced—a standard which affords the advantage of having decisions by the most skilful officers in England on all questions that could arise in the matter—a standard, which in England is found to be based on what is due to the consumer. We propose, then, to adopt the English duties with regard to this article, and I may mention that, in the aggregate, they do not differ very materially from our own. We shall, however, lose somewhat by adopting the English tariff—probably about \$150,000 on the total amount of duty, a sum about equal to the increased duty we propose to put on tea. The aggregate duties on tea and sugar, as now proposed, will be about the same as we derive from those articles under the existing tariff; but we shall have this advantage in regard to sugar, that, as I said before, we will have a standard of duty known to all the countries in the world with which we have dealings in sugar—a scale somewhat lower than that in use now, and one more proportionate to the varying qualities of sugar imported. But in altering the sugar duties, it becomes necessary also to alter the duties on molasses; and with regard to this article, it is the intention of the Government to recommend that the duties shall be made, as in England, proportionate to the duties on sugar. We shall thereby assume a classification that will be found to prevent the improper practices to which the revenue has been subjected, by the introduction into the country, under the form of molasses, of an article which might be termed liquid sugar. (Hear, hear.) We shall by this change gain about \$72,000 in the revenue from molasses, unless a larger quantity henceforth enters the country under the name of sugar. The duties it is proposed to levy on sugar and molasses are as follows:—

Candy, brown or white refined sugar, or sugar rendered by any process equal in quality thereto, and manufactures of refined sugar. \$ 3.00 per 100 lbs.

White clayed sugar, or sugar equal to white clayed	\$2.60 per 100 lbs.
Yellow muscovado and brown clayed sugar ...	2.25 "
Brown muscovado sugar	2.00 "
Any other kind of sugar	1.75 "
Cane juice	1.50 "
Molasses	1.00 "

Hon. Mr. HOLTON.—What relation do those duties bear to the English scale?

Hon. Mr. GALT.—They are just the same; we have followed the English scale in everything. There is the same amount of duty per pound and per hundred weight, and the tariff is, in fact, the English tariff. With regard to molasses, instead of assessing the duty by measure, which gives rise to frauds upon the revenue, we shall now levy the rate per 100 lbs. (Hear, hear).

I now come, Mr. Chairman, to the wine duties; and with reference to them I may say that I should be very glad if any alterations in the duties shall have the effect of increasing the consumption of wine and decreasing the consumption of spirits. (Hear, hear). I think the Committee will agree with me that wine is one of those articles whose importation we should encourage from France and also from Spain and Portugal, in exchange for the productions of our own country. I think the more we can introduce it into the Province the better for the people in every sense. (Hear, hear.) Our duties on wine are not high now, but they are open to this objection, that, being *ad valorem*, we do not obtain the real amount of revenue that ought to be derived from the importation of the article. If any hon. gentleman will take the trouble to look at the Return shewing the importations of wine, and remember that the average duty on all kinds is only about 14 cents per gallon, he must find, I think, that in the revenue derived from it there must be a very considerable loss to the Province from fraud. I think, therefore, that in this case, as in that of sugar, we may with advantage adopt the English plan of levying the duties. The standard adopted by England in its treaty with France was one based on strength rather than value. That standard, I find, was the result of the most elaborate enquiry by skilled chemists and officers of the British Customs in all the wine-growing countries in the world; and that enquiry goes to shew that the fairest mode of assessing the duty is according to the strength of the wine rather than its bulk. The duties, as now established in England, are, consequently, 1s. per gallon on wine not above the strength of 26 over proof, according to Syke's hydrometer; 2s. 6d. on wines between 26 and 42 over proof; and 3d. additional per gallon for every degree of strength beyond 42 over proof. Now, it is not necessary for us to adopt the English scale of duties, but there are reasons for adopting the English standard

for levying them; and therefore I propose, sir, to submit resolutions whereby the wine duties will be—

100 lbs.	On wine in wood, containing not over 26 degrees	
"	of proof spirits.....	10 cents $\frac{3}{4}$ gal.
"	On wine containing over 26 degrees and less than 42	
"	degrees of proof spirits.....	25 " "
"	On wine containing over 42 degrees of spirits.....	
"	On wine in bottle, except sparkling wine.....	\$1 20 $\frac{3}{4}$ dozen.
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With regard to sparkling wine, the Government propose to adopt a different scale, and I will state to the Committee the reasons therefor. It is found that a very large proportion of the sparkling wine brought into this country is spurious—that is, it is not the honest product of the vine-grower. Now, I think that it is desirable to protect the public as far as possible against such a fraud as this; and it is certain that if the sparkling wines imported here are not genuine, they can afford to pay a higher rate of duty than other descriptions. It is therefore proposed to impose a duty of \$3 per dozen on genuine sparkling wines, their genuine character to be vouched for by a certificate of growth; and on wines not accompanied by this certificate, a duty of \$4 per dozen. (Hear, hear.)

Then, with regard to the article of coffee, it is proposed to make the duty three cents per lb., instead of three cents per lb. and 5 per cent. *ad valorem*, as under the present tariff.

I now come, sir, to the principal items in our Customs Tariff, and they are the duties on manufactured goods. They are at present classed under the 30, 25, 20, and 10 per cent. lists, the bulk of them being under the 20 per cent. list. There are only one or two under the 30 per cent. list, and two or three under the 25 per cent. Well, sir, we propose to class the articles of soap and starch now under the 30 per cent. list with other manufactured articles. Those now paying 25 per cent. are boots and shoes, harness and saddlery, clothing or wearing apparel made by hand or sewing-machine. These articles we also propose to remove from this separate list and class them with the ordinary articles of manufacture. It is proposed by the Government to make a reduction in the duty on all the manufactured goods which bear 20 per cent. to 15 per cent. (Cheers.) At the same time it is proposed to deal with most of the articles in the 10 per cent. list, by abolishing the duty altogether and making the articles free. (Renewed cheers.)

Hon. Mr. HOLTON.—All the articles?

Hon. Mr. GALT.—All the articles in the 10 per cent. list, with the exception of jewellery, cotton yarn and several minor articles which will be specified in the Resolutions, will be made free. I may say that this 10 per cent. list consists almost wholly of articles that go into consumption

by manufacturers in the manufacture of other articles, and are such as iron, steel and lead. The Government propose to make these articles free, and they believe that by doing so manufacturers of all those classes of goods on which a rate of 20 per cent is now imposed, and which will be reduced to 15 per cent, will be able to manufacture the same descriptions of goods more economically than before and offer them to the public at lower, but still at remunerative rates. This advantage will therefore be gained by these changes, that while they will be able to supply our own people with goods five per cent. cheaper than under the existing tariff, the manufacturers will be placed in a more favorable position than now with regard to competition in foreign markets. (Hear, hear.) I think that so far from these changes injuring them, as some may perhaps fear at the start, their position will be greatly improved. (Hear, hear.)

Hon. Mr. HOLTON.—How? By higher protection?

Hon. Mr. GALT.—No, but by the cheapening of every article that goes into consumption in the manufacture of their goods; and with regard to all manufactured goods, I have no hesitation in expressing my individual wish, sir, that we were in a position now to abolish Customs duties on all of them. (Loud cheers.) And I hope the day will come, notwithstanding the sneer of the hon. gentleman, when he as Finance Minister, or some one whom he can support, may be able to make a clean sweep of all Customs duties on manufactured goods. (Renewed cheers.) We cannot make that change now, but when the Government feel that they can give very considerable relief to the people of the country, in regard to the duties on articles which enter largely into consumption, I do not think they ought to be sneered at for proposing it to the Committee. (Hear, hear.) The policy of this country has been to make every article of natural production imported into the Province free, and for revenue purposes to impose duties on all those manufactured articles which it was thought were able to bear the burden, affording at the same time an incidental amount of protection to our own manufactures. Now, we propose to decrease the duties on the largest class of manufactured goods entering the country, and to take them off altogether from those articles which to a great extent enter into the manufacture of other articles in this country. I believe the effect will be to reduce the cost of manufactured goods consumed by the people, and the expense of manufacturing them by the manufacturers of the country. (Hear, hear.) The reduction, moreover, will be a movement in the direction which I hope will hereafter be followed either by the present Government or some other that may succeed it; and it would have been my duty, acting on behalf of my colleagues and myself, to have proposed a reduction of the duty from 20 to 12½ per cent on the bulk of the manufactured goods imported, if we had felt that we could safely have done so in presence of the threatening aspect of affairs, and if we had not been called upon to enter upon

are such as these articles those classes which will have descriptive names to the advantage will be able to stand under the more favorable markets. (Hear, them, as some are improved.

article that is; and with an expressing view to abolish I hope the gentleman, can support, on manufac- change now, considerable as on articles ought to be (hear.) The natural produc- purposes to im- was thought an incidental we propose to goods entering which to a this country. manufac- tured goods by the reduction, more- hereafter be her that may behalf of my duty from 20 reported, if we the threaten- to enter upon

the unusual expenditure which the events of the last three or four weeks have rendered necessary. (Cheers.) It was our intention, I say, to have proposed that reduction but for recent occurrences with which the members of the Committee are all familiar.

Mr. SHANLY asked what effect the proposed reductions would have upon the revenue.

Hon. Mr. GALT.—The changes mentioned will, it is estimated, decrease the revenue from duties on manufactured goods to the extent of about \$1,236,000, which with the reduction in the duties from sugar and other minor reductions in the Customs, will make a total decrease of \$690,000. This estimate is not based upon the importations of these classes of goods for the year about to close at the end of the present month, which are to the value of about \$24,000,000; but upon an estimated importation of only \$20,000,000. In making the estimate we have not for obvious reasons thought it prudent to assume that the importations of next year will be within four millions of those of the year just drawing to a close. (Hear.) The effect of all the changes we propose will be then to increase the Excise duties by about \$1,000,000, and to decrease the Customs duties to the amount of about \$1,300,000. It is in the belief that that reduction is one that will tend to develop and enlarge our trade with England, that it will also cheapen the cost of manufactured goods to every consumer in the country, that it will benefit the farmer who buys largely of iron and other goods to carry on farming operations, the manufacturer who is interested in obtaining cheaply the materials that enter into his manufactures and the mechanic whose interests lie in obtaining cheaply the clothing and other goods he consumes; it is in the belief that these advantages will all flow from it, and that the people of the country will be greatly relieved by taking some of the burden off the articles they consume, that the Government venture to propose the reduction to the Committee. The farmer and the mechanic will obtain the iron and the clothing they require at cheaper rates, and with regard to the manufacturer, he will find that labor and everything that goes into consumption in carrying on his manufacture will be reduced in cost, and consequently he will be in a better position to compete not only for the supply of our own people, but also for the supply of the people of other countries—and when I look at the position of our manufacturers, I think that, under existing circumstances, they may fairly look forward to the time when they will be able to compete with foreign manufacturers, not only in our own markets but also with those of the United States in other countries. (Hear.) The manufacturers of the United States are, it is true, protected by a high tariff imposed for other than revenue purposes; but in every other respect they are in a position of inferiority to our own. They have to pay taxes on nearly everything that enters into their manufactures, they have further to pay heavy internal duties on the goods they make, and the labor they employ must

be paid for at a high rate in order that the laborer may bear the heavy burden that falls upon him; and, indeed, if it were necessary to bring arguments before this Committee to show that the reductions we propose will put the manufacturers as well as the people of the Province in a better position, it might readily be done by pointing to the position of American manufactures now and comparing it with what it was five years ago. (Hear, hear.) It cannot be denied that it is one of far less advantage, and that it cuts them off from competing in other markets, while it limits competition at home; and I do not hesitate to say that it will be from a want of manufacturing energy on the part of our people, which I am not prepared to admit, if we do not seek and obtain other markets in addition to those which offer themselves in our own country. (Cheers.) I have every confidence, sir, that instead of diminishing the enterprise of those of our people who are disposed to engage in manufacturing undertakings, the reductions we propose will strengthen their position and do them a greater amount of good, by pointing out to them that it is not by giving them control of the single and limited market of Canada, but by placing them in a position where they can compete upon favorable terms in the markets of the world, that they will be able to build up a great manufacturing industry in this country. (Hear, hear.) If they desire to extend their manufactures, it must be by giving them that position where, by cheap labor, and by obtaining at a low rate the articles used in their manufactures, they will be able to enter into competition with the manufacturers of other nations; and under any other policy their manufactures, instead of expanding and becoming more profitable, must diminish and go down. (Hear.) I have now, but at a length which I fear has trespassed upon the Committee—(cries of “no, no”)—adverted to all the changes which we propose to make in the Customs and Excise tariffs of the Province; and it is my intention to ask the Committee to give its consent *pro forma* to those changes, especially to those proposed in the Excise duties, in order to prevent spirits being taken out of bond. (Hear, hear.) This consent which we ask will not bind the House to concur in the resolutions, but will give the Government the same authority as was given on a former occasion, to levy the increased duties at once. Of course, if the changes are not confirmed by the House, the duties will be refunded to the parties from whom they may be collected; but if they should be confirmed, the authority asked for will enable the public at once to reap the benefits to be derived from the increased duties. (Hear, hear.)

I now propose, Mr. Chairman, to draw the attention of the Committee to another subject—the floating public debt of the Province. In calling attention to the account of the income and expenditure for the incoming year, it is my duty to refer to a point connected therewith, and that is the provision to be made for those portions of the public engagements which are to accrue during the year—I mean those

portions of the public debenture debt which will fall due within the current year, and also the floating debt, which will mature. The debentures falling due this year are principally composed of two kinds—the \$1,500,000 borrowed from the Bank of Montreal three years ago, when the hon. member for Chateauguay was Minister of Finance, and the sum of £140,000 sterling, which is the remaining portion unpaid of the Imperial guaranteed loan. India bonds are held to meet this latter sum, and consequently it is not necessary to consider it. There is also a small amount of Welland Canal debentures maturing this year, making together \$2,570,000, from which the sum of \$681,000 of India bonds being deducted, leaves \$1,889,000 to be provided for within the year. The floating debt due in England on the 1st of October amounts to \$3,152,000. I may say with regard to that debt, that £520,000 sterling of it was borrowed at a rate of interest of eight per cent., payable in October next, and that bonds are held as security for it. This loan was made to the Province in or about the month of January, for the purpose of applying it to the reduction of the floating debt. To the Bank of Montreal we shall owe on the 1st of July next \$750,000 besides, which bears interest at the rate of seven per cent.

Hon. Mr. BROWN—Is that in addition to the loan for militia purposes?

Hon. Mr. GALT—It is in addition to the million and a half borrowed from the bank three years ago.

Hon. Mr. HOLTON—When was it borrowed?

Hon. Mr. GALT—Three or four weeks ago. When the Government found that they would have to call out upwards of twenty thousand men for service on the frontier, and it was quite uncertain as to the extent of expenditure to which they might be obliged to go, they thought it prudent to apply to the bank for that loan. We have not as yet used the money, having had the means of getting along without it; but at the same time a portion, though not a large portion of it, will be used in the payment of that expenditure. After making these payments, we shall have left \$674,000, deducting which sum from the total amount due, \$3,902,000, will leave the sum of \$3,228,000 of floating debt to be provided for within the year. This added to the \$1,889,000 of debenture debt which matures, will make a total to be provided for of \$5,117,000. Now, I am bound to say, that to make provision for this large sum of money, independent of the ordinary requirements of the country, will demand the most careful consideration of this Committee. The Government have given the best attention in their power to it, and I shall now have the honor of submitting to the Committee the views they entertain as to the means which, in their opinion, it is necessary should be taken for the maintenance of the public credit. I am bound to state, that in view of the disturbed state of affairs in

Europe, and of the money market in England, we are not of opinion that it is possible to raise that money by means of loans in England in time to meet our obligations as they mature. We do not think it is possible, on any terms which we could submit to the favorable consideration of this House, to meet those engagements by means of foreign loans. (Hear, hear.) The difficulty we experienced in carrying over the sum of five or six hundred thousand pounds sterling, when the state of financial affairs in England and Europe was by no means so bad as it is now, was such that we believe that any attempt to renew that debt by means of a short loan would be disastrous to the finances of the country, and bring about a calamity the responsibility of which we are not prepared to assume. If we feel, therefore, that we cannot raise the money by means of a foreign loan, we have only one course left us to pursue, and that is to raise it from Canadian resources in Canada. (Hear.) There is only one way in which we see that the difficulty can be surmounted, which is by resuming for the Province a portion of the credit it has hitherto given to the Chartered Banks of the country. (Hear.) I think, sir, the time has arrived when we must assume a sufficient portion of the circulation to enable us to meet the liabilities we have now to provide for, and it is somewhat fortunate that we are thus compelled to consider this question of the currency before the expiration of the bank charters in 1870. Were we to allow matters to go on until then, without dealing with the question, it would be found next to impossible to resume the privilege which has been conceded to the banks. If now, however, we are able to take a portion of the currency into our own hands—not making it irredeemable but redeemable in gold—I think we may be able to submit to the monetary institutions of the country such conditions as will induce them very shortly to surrender their power of issuing circulation altogether, and we may look forward to the establishment, within the Province of Canada, of a currency which will be based on the security of the public, and will give to the bill-holders such guarantees as will not expose them to the financial depressions and panics which have frequently arisen in other countries. (Hear.) I do not propose now to go at length into the details of the scheme—they will be laid before the House at an early opportunity—but the principle is this; the Government propose to ask from Parliament power to issue notes, redeemable in specie on presentation in Montreal or Toronto, to the extent of five millions of dollars (\$5,000,000). They also propose to agree with any banks which will surrender their right of circulation to give them a rate of interest on their average circulation of notes, not to exceed five per cent., for the remainder of the period until the expiration of their charters. (Hear.) They propose of course always to require a sufficient amount of specie to be held against the Provincial circulation, to ensure that under no circumstances by any possibility can the slightest doubt attach to the redemption of the notes as they may be

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brought forward. There will be held against them in the first place specie, varying in amount with the amount of the issue; and in the second place, securities of the Province for the remainder of the issue, while behind all that will be the engagement of Parliament to make good to the holder in gold the face-value of every note he has. (Hear, hear.) It is plain that the requirements of the country can be met in this way alone, and that they can be met in this way is considered certain. The probability is that when the whole of the features of the scheme are laid before this Committee, which I propose shall be done on Thursday next, it will be found that the Government offer sufficient inducements to the banks to come into the plan and give it their support. If, however, it turns out that they entertain different views, then the Government, having obtained from Parliament the power of issuing their own notes and making them a legal tender—of course only so long as they are redeemable in specie—will use other channels for getting them into circulation. (Hear, hear.)

I have thus adverted generally to the position of the country as indicated by the accounts of the past year, and have stated what our hopes and fears are in reference to that which is approaching; and, while I have to apologize to the Committee for having detained it at such length, I trust I may be permitted in conclusion to say a few words in reference to the position we now hold. (Hear.) There is no doubt whatever, Mr. Chairman, that the condition we are now in is one of transition. We are about to pass from being a single Province to become a portion of a congeries of colonies, giving us—not individually but collectively—very much greater influence than we have hitherto possessed. In all probability this is the last session we shall hold as the Parliament of Canada, and I venture to suggest that it may hereafter be a subject of congratulation to us that in the last year of our isolated state we saw ourselves in a position to overcome the financial difficulties we have been so long contending against. (Hear.) Again, while we know that we may be called upon to make greater sacrifices in maintaining our position than we have done heretofore—sacrifices not merely of treasure but possibly of blood—we have the satisfaction of knowing from the history of the past year that those sacrifices will cheerfully be made. (Hear, hear.) We are no longer in doubt as to the support of our own people—we see how nobly they will stand by their institutions—and surely we may take this as an indication not that the people are dissatisfied with the prospect of entering into a new phase of existence, or with the course the Imperial Government is pursuing, but that they are pleased with the position which past legislation has aided in securing, and satisfied with the prospect of that place in the future which has been indicated to them by this Parliament. They think, sir, we may now be sure, that it will add to their prosperity, and feel happy that it will bind them closer in that connection with Great Britain which they so dearly prize. If this be the case—if this be a fair deduction

from the events of the past few months—I say we may be proud that our career as an isolated colony will terminate in such a spirit. Finally, I think it will be well if in the last session of the Provincial Parliament of Canada we shall have been able to approximate in some measure to that system of political economy which is bearing such magnificent fruits in the mother country—to remove some of the burdens which weigh on the industry of the people, and to open new markets for their products. (Hear.) If we have lost the markets of the United States, we have at the same time shown our desire to open new channels by which the products of our people may reach other countries. We have not merely confined ourselves to an investigation—carried on though it has been under the personal supervision of one of the members of the Government—but we now hold forth the olive branch to the mother country, showing by our legislation and our official acts our disposition to join with her in carrying out a truly liberal policy. If there is one thing more than another which will soon bring our American friends to reason—for I shall always continue to call them friends though for the moment they are commercially estranged, and I shall always desire to renew with them our former intercourse—if there is one thing I say which will bring them round to a sense of the commercial relations which ought to exist, it is the feeling that we are to a certain extent adopting a course which will make us independent of them. (Hear, hear.) If there was one thing more than another, apart from the irritation growing out of the events which happened during the late war, which instigated them in abrogating the Reciprocity Treaty, it was the belief that they could compel us into a closer political alliance with them. It is therefore desirable, and indeed our manifest duty to show them, not in a spirit of hostility, but certainly in that of independence, that while we value their friendship, and value their trade, we will not conform to unreasonable terms and will not have either our commercial policy or our political allegiance dictated to us by any foreign country. (Cheers.)

THE PROPOSED CANADIAN TARIFF.

SPECIFIC DUTIES.

SPIRITS AND STRONG WATERS, viz. :—	<i>Proposed Duties.</i>	<i>Old Duties.</i>
Spirits or Strong Waters not being sweetened or mixed with any article, so that the degree of strength thereof cannot be as- certained by Sykes' Hydrome- ter, for every gallon of the strength of proof by such hy- drometer, and so in proportion for any greater or less strength than the strength of proof, and for any greater or less quantity than a gallon, viz. :—		
Brandy	per gal. \$0 70	30 p. c. & 15c. p. gal.
Gin.....	" 0 70	100 " 15c. "
Rum	" 0 70	100 " 15c. "
Whisky	" 0 70	40 cts. per gallon.
Spirits of Wine.....	" 0 70	} 100 p. c. & 15c. p. gal.
Alcohol, not being Whisky.	" 0 70	
Perfumed Spirits, to be used in perfumery only	" 1 20	20 per cent.
Cordials, other than ginger, orange, lemon, gooseberry, strawberry, elder and currant wines.....	" 1 20	100 p. c. & 15c. p. gal.
*Acetic Acid and Vinegar	" 0 05	20 " 4c. "
Ale, Beer and Porter, in casks...	" 0 05	30 per cent.
Do do in bot... }	" 0 07	30 p. c.; 5 bot. to gal.
4 quart or 8 pint bot. to the gal. }		
Wines of all kinds, except Spark- ling Wines, containing not over 26 degrees of proof spirits by Sykes' Hydrometer, in wood...	" 0 10	20 per cent.

*Acetic acid was charged 20 per cent.; Vinegar as above.

SPECIFIC DUTIES.

	<i>Proposed Duties.</i>	<i>Old Duties.</i>	
Do do containing over 26 degrees and not more than 42 degrees of proof spirits by Sykes' Hydrometer, in wood.....	" 0 25	} 20 per cent.	
Do do containing not more than 42 degrees of proof spirits, by Sykes' Hydrometer, in bottles.....	Per doz. Quarts, 1 50 Pints, 0 75		
And an additional duty of 3 cts. per gallon for every degree of strength beyond 42 degrees.			
Wine—Sparkling, of all kinds, in bottles, 4 in qrts.....	per doz. \$3 00		
Do do do in pts.	" 1 50		
And when not accompanied by a certificate of growth, an additional duty of in quarts....	" 1 00		
do do in pints.....	" 0 50		
SUGAR, viz. :—			
Candy—brown or white, refined sugar or sugar rendered by any process equal in quality thereto, and manufactures of refined sugar, including succades and confectionery	p. 100lbs 3 00		15 p. c. & 3c. p. lb.
White clayed sugar, or sugar rendered by any process equal in quality to white clayed, not being refined or equal in quality to refined	" 2 60	} 10 p. c. & 2c. per lb.	
Yellow Muscovado and brown clayed sugar, or sugar rendered by any process equal in quality to yellow muscovado or brown clayed, and not equal to white clayed	" 2 25		
Brown Muscovado sugar, or sugar rendered by any process equal in quality to brown muscovado, and not equal to yellow muscovado or brown clayed.....	" 2 00		
Any other sugar not equal in quality to brown muscovado.....	" 1 75		

SPECIFIC DUTIES.

Old Duties.

er cent.

c. & 3c. p. lb.

c. & 2c. per lb.

	Proposed Duties.	Old Duties.
CANE JUICE	" 1 50	
Molasses	" 1 00	0 p. c. & 5c. p. gal.
COFFEE, green.....	per lb 0 03	5 " 3c. p. lb.
Roasted or ground....	" 0 04	30 " 3c. "
Chicory or other root or vegetable used as coffee, raw or green.....	" 0 03	} 20 per cent.
Chicory, kiln-dried, roasted or ground.....	" 0 04	
OILS—		
Coal and Kerosene, distilled, purified and refined	per gal. 0 10	10 cts. per gal.
Naptha	" 0 15	} 15 cents per gallon.
Benzole	" 0 15	
Refined Petroleum.....	" 0 15	
Crude Petroleum.....	" 0 06	4 " "
TOBACCO—Manufactured, viz. :		
Cavendish	per lb 0 10	30 p. c. & 10c. p. lb.
Common cut	" 0 05	30 " 5c. "
Fine cut	" 0 15	30 " 15c. "
Canadian Twist.....	" 0 02	30 " 2c. "
Snuff and snuff flour, dry.....	" 0 10	30 " 10c. "
Snuff, damp, moist or pickled....	" 0 08	30 " 8c. "
CIGARS—Value not over \$10 per M.....	2 00	40 p. c. and \$2 per M.
Do over \$10 and not over \$20	3 00	40 " 3 "
Do over \$20 and not over \$40	4 00	40 " 4 "
Do over \$40 per M.....	5 00	40 " 5 "
Butter	per lb 0 04	Free.
Cheese.....	" 0 03	"
Lard and Tallow....	" 0 01	"
Fish, salted or smoked.	" 0 01	"
Wheat and Rye Flour.....	per brl. 0 50	"
Flour and Meal of all other kinds of grain.	p. 100lbs 0 25	"
Grain of all kinds, except Wheat.	per bush. 6 10	"
Meats, fresh, salted or smoked....	per lb 0 01	"

AD VALOREM AND SPECIFIC.

	<i>Proposed Duties.</i>	<i>Old Duties.</i>
TEA	7c p. lb & 15 p. c.	4c. per lb and 15 p. c.

AD VALOREM—PROPOSED DUTY, 25 per cent.

Cinnamon, mace and nutmegs	} <i>Old Duties.</i>	30 per cent.
Spices, including ginger, pimento and pepper, ground.....		
Patent medicines and medicinal preparations not elsewhere specified	}	20 per cent.
Essences and perfumery, not elsewhere specified.....		

AD VALOREM—PROPOSED DUTY, 15 per cent.

Manufactures of Leather, including boots and shoes, harness and saddlery	} <i>Old Duties.</i>	25 per cent.
Clothing or wearing apparel made by hand or sewing machines.....		
Soap.....	}	30 per cent.
Starch		
Blacking	}	20 per cent.
Bagatelle boards and billiard tables and fur- nishings, not elsewhere specified.....		
Brooms and brushes of all kinds.....	}	20 per cent.
Cabinet ware or furniture		
Candles and tapers of tallow, wax or any other material	}	Free from U. S.
Carpets and hearth rugs.....		
Carriages	}	20 per cent.
Coach and harness furniture		
Chandeliers, girandoles and gas fittings	}	20 per cent.
Chinaware, earthenware and crockery		
Cider	}	20 per cent.
Clocks		
Corks.....	}	20 per cent.
Cottons		
Dried fruits and nuts	}	20 per cent.
Drugs not otherwise specified.....		

Proposed Duty, 15 per cent.

Old Duties.

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FANCY GOODS AND MILLINERY, viz. :—
Articles embroidered with gold, silver or other metals, bracelets, braid, &c., made of hair, feathers and flowers, fans and fire screens, gold and silver leaf, millinery of all kinds, ornaments of bronze, alabaster terracotta or composition, silver and gold cloth, thread and other articles embroidered with gold or for embroidering, thread lace and insertions, writing desks, fancy and ornamental cases and boxes, and other fancy goods
Foreign newspapers, sent otherwise than through the Post Office
Fire works.....
Gun powder.....
Guns, rifles and fire arms of all kinds
Glass and glass ware, plate and silvered, stained, painted or colored
Hats, caps and bonnets.....
Hat plush
Hops
Hosiery
Inks of all kinds, except printing inks.....

20 per cent.

HARDWARE, viz. :—
Cutlery, polished, of all sorts.....
Japanned, planished tin, Britannia metal-ware.
Spades, shovels, axes, hoes, rakes, forks and edgetools, scythes and snaths
Spikes, nails, tacks, brads and sprigs... ..
Stoves and all other iron castings
Other hardware

Plank and sawed lumber of all kinds.....

{ Manufactured, 20 p. c.
Unmanufactured, free.

LEATHER, viz. :—
Sheep, calf, goat and chamois skins, dressed, varnished or enamelled.....
Linen
Locomotive engines and railroad cars
Maccaroni and vermicelli
Manufactures of marble or imitation of marble other than rough sawn slabs or blocks

20 per cent.

*Proposed Duty, 15 per cent.**Old Duties.*

Manufactures of caoutchouc, india rubber or gutta percha	
Manufactures of fur, or of which fur is the principal part	
Manufactures of hair or mohair	
Manufactures of papier-maché	
Manufactures of grass, osier, palm leaf, straw, whalebone or willow, except plaits elsewhere mentioned	
Manufactures of bone, shell, horn, pearl and ivory	
Manufactures of gold, silver, electro-plate, argentine, albata, and German silver and plated and gilded ware of all kinds	
Manufactures of brass or copper.....	
Manufactures of leather or imitation of leather	20 per cent.
Manufactures of wood not elsewhere specified.	
Manufactures of cashmere	
Musical instruments, including musical boxes and clocks	
Mustard	
Machinery not elsewhere specified.....	
Oil cloths.....	
Oils, in any way rectified or prepared, not elsewhere specified	
Opium	
Packages, as merchandise	
Paints and colors	
Paper.....	
Paper hangings.....	
Parasols and umbrellas.....	
Plaster of Paris and Hydraulic Cement, ground and calcined.....	10 per cent.
Playing cards	
Pickles and Sauces	
Preserved meats, poultry, fish and vegetables.	20 per cent.
Printed, lithographed or copper-plate bills, bill-heads, &c., and advertising pamphlets .	
Shawls	
Silks, Satins and Velvets	
Silk, woolen, worsted and cotton embroideries, and tambour work.....	

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ties.

<i>Proposed Duty, 15 per cent.</i>	<i>Old Duties.</i>
Silk twist and silk and mohair twist, not elsewhere specified	20 per cent.
Spices, unground, including ginger, pimento and pepper.....	
Stationery	
Small wares.....	
Tobacco pipes	
Toys	
Varnish, other than bright or black	
Woolens.....	15 per cent.
Book, map and newsprinting paper.....	
Engravings and prints	10 per cent.
Flat wire for crinolines	Uncovered, 10 per ct. Covered, 20 per cent.
Jewellery and watches	
Maps, charts and atlases, not elsewhere mentioned	10 per cent.
Ready-made Sails	
Spirits of Turpentine	
Fish-oil, crude or refined	Free.
Fish, products of	
Animals	

PROPOSED TO BE FREE.

Anchors	{ Up to 6 cwt., 10 p. c. Over 6 cwt., free.	
Brass, in bars, rods or sheets.....		
Brass or copper wire, and wire cloth of brass or copper.....		
Copper, in bars, rods, bolts or sheets.....		
Copper, brass or iron tubes and piping, when drawn	{ 10 per cent.	
IRON—		
Canada plates and tin plates		
Galvanized and sheet		
Wire, nail and spike rod		
Bar, rod or hoop.....		
Hoop or tire for locomotive wheels, bent and welded.....		
Boiler plate.....		
Rolled plate		
Lead, in sheet.....		
Litharge		

<i>Proposed to be Free.</i>	<i>Old Duties.</i>
Locomotive and engine frames, cranks, crank axles, railway car and locomotive axles, piston rods, guide and slide bars, crank pins and connecting rods	10 per cent.
Medicinal roots	
Phosphorus	
Silk twists, for hats, boots and shoes	
Steamboat and mill shafts and cranks, forged in the rough	
Steel, wrought or cast	
Straw, tuscan and grass fancy plaits	
Tin, granulated or bar	
Zinc or spelter, in sheet	
Acids of every description, except acetic acid and vinegar	
Alum	Free
Anatomical preparations	
Antimony	
Antiquities, collections of	
Apparel, wearing, of British subjects domiciled in Canada, dying abroad	
Argol	
Articles for the public uses of the Province ..	
Articles imported by and for the use of the Governor General	
Articles for the use of foreign consuls, when such consuls are subjects or citizens of the country they represent and not engaged in trade and commerce	
Ashes, pot, pearl and soda	
Bark, berries, nuts, vegetables, woods and drugs used solely in dyeing	
Bark, tanners'	
Bleaching powders	
Bolting cloths	
Borax	
Bookbinders' tools and implements	
Books—Printed, Periodicals and Pamphlets, not being foreign reprints of British copyright works, nor blank account books, nor copy books, nor books to be written or drawn upon, nor school or other books printed in this Province	

Duties.

Proposed to be Free.

Old Duties.

Bristles	}	Free.
Broom corn		
Busts, casts and statues of marble, bronze or alabaster, paintings and drawings, as works of art, specimens of sculpture, cabinets of coins, medals, gems, and all collections of antiquities		
Burrstones and grindstones, wrought and unwrought		
Biscuit and Bread from Great Britain and the B. N. A. Provinces		
Cocoa Paste, from do do	}	Under $\frac{3}{4}$ in. diam. 20 p.c. Over " free.
Cables—Iron chain		
Hemp and grass		
Caoutchouc, or India Rubber, and Gutta Percha, unmanufactured		
Carriages of travellers and carriages employed in carrying merchandise, hawkers and circus troops excepted		
Cement, marine or hydraulic, unground	}	Free.
The following articles, when imported by and for the use of officers of Her Majesty's Forces serving in Canada, viz.:—		
Cigars for officers' mess		
Silver and plated ware for officers' mess ..		
China ware do ..		
Glass ware do ..		
Table Linen do ..		
Spirits do ..		
Wines do ..		
Malt Liquor do ..		
Billiard Tables and Bagatelle Boards, when imported directly by and for the use of regimental corps serving in Canada...		
Clothing—Plain and military, imported by officers of the army serving in Canada.		
Coffe, Sugar and Tea, when imported by or taken out of warehouse for Her Majesty's Troops serving in Canada, under such restriction, and regulations as may be prescribed by the Minister of Finance		

<i>Proposed to be Free.</i>	<i>Old Duties.</i>
Church Bells.....	} 20 per cent.
Communion Plate.....	
Coal and Coke.....	
Clothing and Arms for Indian Nations.....	
Do for the Army and Military Forces in the Province.....	} Free.
Commissariat and Ordnance Stores.....	
Cork wood or bark of the cork wood tree....	
Cotton and Flax waste.....	
Cotton wool.....	
Cream of Tartar, in crystals.....	
Diamonds and precious stones, not set.....	
Donations of clothing, for gratuitous distribution by charitable societies.....	
Drain Tiles, for agricultural purposes.....	
Drawings, as works of art.....	
Earths, clays, sand and ochres.....	
Eggs	
Emery, glass, and sandpaper.....	
Farming utensils and implements, when specially imported for the encouragement of agriculture.....	
Felt hat bodies and hat felts ..	
Flax, hemp and tow, undressed.....	
Firewood	
Fire brick and clay.....	
Fish, fresh, for daily consumption.....	
Fishing nets and seines, hooks, lines and twines	
Furs and skins, pelts or tails, undressed.....	
Gems and medals.....	
Gold beater's brim moulds and skins.....	
Grease and scraps.....	
Gravels	
Gypsum or Plaster of Paris, neither ground nor calcined.....	
Hair—angola, goat, Thibet, horse, or mohair, unmanufactured	
Hay	} 20 per cent.
Hides, horns and pelts.....	
Indigo	} Free.
Junk and oakum.....	
Kryolite or Cryolite.....	

<i>Proposed to be Free.</i>	<i>Old Duties.</i>
Locomotives and passenger, baggage and freight cars, running upon any line of road crossing the frontier, so long as Canadian locomotives and cars are admitted free, under similar circumstances, in the United States.....	Free.
Manilla grass, sea grass and mosses for upholsterers' purposes.....	
Manures.....	
Maps and charts, imported not as merchandise but as the personal effects of persons arriving in Canada to become <i>bonâ fide</i> settlers in the Province	Free on special application
Marbles in blocks or slabs, unpolished, and not specially shapen.....	
Medicines for Hospitals.....	
Menageries—horses, cattle, carriages and harnesses of.....	
Military and naval stores.....	
Models.....	
Musical instruments for Military Bands.....	
Nitro or saltpetre	
Oil cake or linseed cake.....	
Oils, cocoa nut, pine and palm in their crude, unrectified and natural state.....	
Ores of all kinds of metals.....	Free.
Osiers and willow for basket makers' use.....	
Philosophical instruments and apparatus, including globes when specially imported for the use of Colleges and Scientific and Literary Societies	
Pig iron, pig lead and pig copper	
Pitch and Tar.....	
Printing ink and printing presses, except portable hand printing presses.....	
Rags	
Resin and Rosin.....	
Rice	
Sal ammoniac, sal soda and soda ash.....	
Salt	
Scrap Brass	

<i>Proposed to be Free.</i>	<i>Old Duties.</i>
Seeds for agricultural, horticultural or manufacturing purposes only.....	
Settlers' goods.....	
Ship's Blocks.....	
" Binacle Lamps.	
" Bunting	
" Sail cloth or canvas from No. 1 to No. 6	
" Compasses	
" Dead Eyes	
" Dead Lights.....	
" Deck Plugs	
" Shackles	
" Sheaves	
" Signal Lamps.....	
" Travelling Trucks	
Specimens of Natural History, Mineralogy or Botany.....	
Slate	Free.
Stone unwrought.....	
Stereotype Blocks for printing purposes.....	
Electro Type do	
Sulphur or Brimstone, in roll or ground.....	
Teasels	
Tin and Zinc or Spelter, in blocks or pigs....	
Trees, plants and shrubs, bulbs and roots.....	
Treenails	
Tobacco, unmanufactured	
Turpentine, other than spirits of turpentine...	
Type metal, in blocks or pigs.....	
Varnish, bright and black, for ship builders..	
Vegetables	
Veneering	
Wood of all kinds, wholly unmanufactured....	
Wool, flax or fibrilla.....	
Coin and bullion	
Leather—viz :—sole and upper leather not-elsewhere specified	20 per cent.
Mowing, reaping or threshing machines.....	
Mill and factory machinery of all kinds.....	

Duties.

PROHIBITIONS (PROPOSED).

Old Duties.

The following articles are prohibited to be imported, under a penalty of two hundred dollars, together with the forfeiture of the parcel or package of goods in which they may be found, viz. :

Books, drawings, paintings and prints of an immoral or indecent character, coin, base or counterfeit.....

The same.

EXPORT DUTY (PROPOSED).

Upon every Standard Saw-Log exported out of Canada, except the same be exported directly to the B. N. A. Provinces, 25 cts.....

Free.